

## Message Text

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PAGE 01 BUENOS 01164 141202Z  
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-01 INR-07  
NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02  
LAB-04 SIL-01 OMB-01 /067 W  
-----141347Z 032811 /45

R 112158Z FEB 77  
FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 9067  
INFO USDOC WASHDC

UNCLAS BUENOS AIRES 1164

E.O. 11652: N/A  
TAGS: EINV, ETRD, AR  
SUBJECT: ARGENTINA: INDUSTRIAL SALES AND INVESTMENT PRO-  
JECTIONS

1. FIEL, A REPUTABLE PRIVATE ECONOMIC RESEARCH INSTITU-  
TION, CONDUCTED A SURVEY IN NOVEMBER 1976 ON SALES AND  
INVESTMENT PROJECTIONS BY THE PRIVATE INDUSTRIAL SECTOR  
IN ARGENTINA FOR THE YEARS 1977-80. THE SURVEY, BASED ON  
A SAMPLE OF 110 LEADING PRIVATE FIRMS, HAD THE FOLLOWING  
PRINCIPAL PROJECTIONS FOR 1977;

A) SALES: A 30 PERCENT INCREASE IN SALES, BASED ON  
EXPECTATIONS THAT DEMAND IN THE INTERNAL MARKET WILL  
RECOVER AND THAT EXPORTS WILL INCREASE SUBSTANTIALLY.  
RESPONSES FROM 67 FIRMS INDICATED THAT THEY EXPECTED THEIR  
EXPORTS IN 1977 TO INCREASE BY 28 PERCENT.

B. INVESTMENT: A 74 PERCENT INCREASE IN GROSS FIXED  
INVESTMENT IN 1977, AS COMPARED WITH A DECLINE OF 16  
PERCENT IN 1976. THE INVESTMENT WOULD BE USED FOR  
THE FOLLOWING PURPOSES: 53 PERCENT FOR MACHINERY AND  
EQUIPMENT (ABOUT ONE-THIRD OF WHICH WOULD BE IMPORTED);  
34 PERCENT FOR CONSTRUCTION; AND 13 PERCENT FOR MIS-  
CELLANEOUS ITEMS. PROJECTED INCREASES IN 1977 BY SECTOR  
INCLUDE: CHEMICALS (PLUS 255 PERCENT), TRANSPORTATION  
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EQUIPMENT (PLUS 133 PERCENT), METALLURGICAL INDSTRY (PLUS  
84 PERCENT); NON-METALLIC MINERALS (PLUS 71 PERCENT), LEA-  
THER AND TEXTILES (PLUS 44 PERCENT), BASIC METALS (PLUS  
44 PERCENT), AND FOOD, BEVERAGES AND TOBACCO (28 PERCENT).

2. COMMENT: ASSUMING THE SURVEY REFLECTS CONCRETE  
PLANS AND NOT JUST WISHFUL THINKING, THE INVESTMENT

PROJECTIONS IN PARAGRAPH 1 A COULD SERVE AS A ROUGH INDICATOR AS TO WHICH TYPES OF MACHINERY AND EQUIPMENT WILL HAVE THE BEST MARKET OPPORTUNITIES IN ARGENTINA IN 1977. FOR A MORE ACCURATE ESTIMATE OF THE IMPORT MARKET OPPORTUNITIES, THE SURVEY SHOULD HAVE INCLUDED PROJECTIONS OF STATE-OWNED ENTERPRISES.

3. THE COMPLETE FIEL REPORT WILL BE TRANSMITTED BY AIRGRAM TO THE DEPARTMENT.  
HILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT CLIMATE, FOREIGN INVESTMENTS, SURVEYS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** 8ffbf5c7-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
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**SAS ID:** 3346688  
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**Status:** NATIVE  
**Subject:** ARGENTINA: INDUSTRIAL SALES AND INVESTMENT PRO- JECTIONS  
**TAGS:** EINV, ETRD, AR, FIEL  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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